



Pay-Tel Communications Inc
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November 10, 2005

VIA FEDERAL EXPRESS OVERNIGHT

Chairman Ron Jones
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re Docket No 04-00211
Rulemaking to Amend Public Pay Telephone Rules 1220-4-2- 43- 54

Dear Chairman Jones

This letter is a follow up regarding our increased billing and collection costs. Regrettably, our total cost increased significantly October 1 when BellSouth raised our Billing and Collection fees in Tennessee by 84%. I have attached an updated cost analysis with the increased B&C cost. The total costs justify a new rate of \$2.36 when including a reasonable Facility System Administrative ("FSA") Fee. If an FSA Fee is not included, the total cost is still well above the current interim rate.

Enclosed are twelve copies of this letter for distribution to the other Directors and inclusion in the agency's docket file. The Cost Analysis is marked, "**CONFIDENTIAL AND PROPRIETARY**" and is sealed in a separate envelope.

I very much enjoyed meeting with you to discuss our costs and I appreciate the fact that you are engaged on this issue. I would welcome an opportunity to meet with you in the future. If you have any further questions, please feel free to email me at vtownsend@paytel.com.

Thank you for your time and consideration of our issues.

Sincerely,

Vincent Townsend
President

VT/bp

Enclosures

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